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ESSAY

UPON THE
National Credit

OF
ENGLAND

Introductory to a

PROPOSAL

Prepar'd for Establishing the

Public Credit;

In such manner as

To render the same highly Beneficial to the Government, Trade and People of this KINGDOM.

Humblly submitted to the Honourable
House of Commons.

By M. D. O'Brien

*London: Printed by A. R. [illegible] [illegible]
St. Paul's Church, near Chancery-Lane, and [illegible]
Sold by R. [illegible] in [illegible]*

ESSAY

UPON THE

NATIONAL CREDIT

OF

THE UNITED STATES

INTRODUCED BY

PROFESSOR

OF THE UNIVERSITY OF

CHICAGO

IN SUCH MANNER AS

TO BE PRESENTED TO THE GOVERNMENT

BY THE

COMMISSIONERS OF THE LAND OFFICE

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To, &c.

Member of the Present
Honourable House of
Commons.

S I R,

IN the Papers I here send
you, you will find your
own Sentiments submit-
ted to, by the Publication of
this Introductory Discourse to
a Method, which I can now
say has stood the Test of a
very competent and discerning
Judgment.

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L

The Epistle Dedicatory.

It will not, I hope, be objected to this little Tract, That the secret Springs and all the inward Parts of the Movement of this Machine are not laid open to Publick View; For, tho' it is not doubted but that they will all very well bear the Light, yet they think fit to make their first publick Appearance before the Wisdom of the Nation.

Till when, it may be thought sufficient that the Publick is acquainted with the Reasons upon which the Design is built; and I shou'd think this Essay of Publick Use, if you find it contributing to the removal of those

The Epistle Dedicatory.

those popular and erroneous Notions, which I cannot but esteem to have been the true tho' unobserv'd Causes of the very great ill Effects we lately smarted under; and which, notwithstanding all the Prudence of our present Administration, we are not yet insensible of.

And if what is here propos'd to all, shall incline their Representatives to take in to Consideration what is, and what is to be offer'd upon this Subject, I shall easily be induc'd to think it will appear to them a just and well-form'd Design.

There

The Epistle Dedicatory.

There will then, be no Room to apprehend that it shall meet with there, what it must encounter abroad, Partiality and Prejudice, from self-interested Objectors, whose Unhappiness I shall ever think it to be, that they seem to think their own Interest stands the most securely on the Ruins of the Publick.

But it is, without Vanity, presum'd, that an apparent Good Influence on the Publick; however it may seem to others, will be abundant Proof to you, that a Design, in good Measure contributing thereunto, does not, cannot derive from any such Influence, as will justly raise a fair and equitable Objection, either against that Design, or the Authors of it.

As to the Objections that do indeed concern the Merits of the Cause, the best of them, which
have

The Epistle Dedicatory.

have occur'd to the Proposers in Thought or Conversation, have, I hope, already receiv'd their Answer in these Papers, and that you will see a just Foundation laid, in the Design it self, for the easie answering all such others as may arise.

If there is no other Purpose on Foot at this time, for farther exerting so desirable a thing as the Credit of England, it is humbly hop'd this will easily prevail; and if there is; particularly for augmenting the Number of Exchequer-Notes, there is nothing farther desir'd but a just Comparison, and the Preference to be given to that which shall be found most advantageous to the Publick.

I have only this Word to offer farther to you, which is, that, lest any may imagin the Settlement of some part of the Funds for this Year already made, ought to Post-
pone

The Epistle Dedicatory.

pone this Design, it will be more
securely (in the Opinion of those
who are doubtful of the Success)
experimented upon the Remainder
of the Funds for this Year; and,
with more compleat Advantage,
be extended to them all in the
next.

I am not, Sir, without Hopes,
that your Countenance to these
Endeavours will meet with bet-
ter, and more publick Acknow-
ledgements, than those of

Your most obedient
Servant, &c.

AN
ESSAY
UPON THE
National Credit
OF
ENGLAND.

SECT. I.

THe Proposal, of which this *Intro-*
Paper is to give some short *duction.*
and general Account, relates
to the Establishing and Ex-
tending of a National Credit in *Eng-*
land; to the great and mutual Benefit
both of the Government and People of
this Kingdom.

B

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An Essay upon the

The first Thing we shall observe, in order to lay open the Way to this Proposal, is the great Benefit, and the no less Necessity of a good Credit to be current in this Kingdom.

*Benefits of
a good Cre-
dit.*

The Benefit of it to the Person or Society credited, is apparent from hence, that it does (for some Time) the Work of Money; during which time, the Owner of that Credit does, in effect, borrow Money without paying Interest for it, and may easily make his Advantages accordingly.

*Not yet ac-
quired by
our Govern-
ment.*

These Benefits, it is observable in the wisest Countries abroad, do chiefly redound to the Publick; whereas in *England* the Publick has been so far from receiving any Benefit from the best Foundation of Credit in *Europe*, which is its own, that it has so far hitherto been able to borrow upon common Terms, or to exert its Credit, without either giving an extravagant *Premium*, or suffering a prejudicial *Discount*.

*One Reason
thereof.*

But amongst other things that have hinder'd us hitherto from following the profitable Example of our Neighbours, perhaps none of the least is a prevalent but mistaken Notion, that *Paper-Credit*, as 'tis call'd, is dangerous.

rous to the Publick, as being a false Shew of Wealth, and a Symptom of an unsound Constitution.

To remove this Scruple, let it be consider'd, that whatever Inconveniences, or even Danger may be conceiv'd to attend the Currency of a Paper-Credit, these Considerations must give Way to an absolute Necessity of it, when that appears. *The Necessity of Establishing a good Credit.*

And that Necessity is now (and indeed it is reasonable to believe always will be) upon *England*, for the keeping up our Stock in Trade to a due Proportion of what we do, and more especially of what we are able to trade for.

Without which Stock (as it is additional to our *Specie*, and much exceeding the Value of it) we must lose the greatest Part of our Trade; and thereby manifestly endanger the loss of the Whole: For it will soon be in the Power of those who can Out-trade us by a much greater Stock, to Undo us as to Trade; and I think it needs no Proof that the Consequence of that wou'd be fatal to us. *For preserving our Trade.*

And this Necessity of Credit is more pressing now in the time of an expensive War; because the War it self re- *For maintaining the War.*

quires a great Stock of Treasure where-
with to carry it on; but were the Oc-
casions of the War always supply'd
with *Specie*, it wou'd plainly exhaust
the Stock employ'd in Trade too much,
and more and more every Year.

It may be pleaded, as some Relief
in this Case, that the *Specie*, by ser-
ving the Uses of the War, does quick-
ly diffuse it self back into Trade. But
notwithstanding this, it must be grant-
ed, that the Want of it, tho' for a small
time only, may give a prejudicial
Check to our Trade, which is not ea-
sily recoverable; and besides, that *Spe-
cie* is longer kept out of Trade than it
is kept in the Hands of Government;
for it lyes waiting in the Hands of Mo-
ney'd Men, in prospect of making an
advantageous Loan to the Government,
to the apparent Prejudice and lessening
of our Trade.

From all which is apparent, not only
the Necessity of Credit which we are
under, but also the great Expediency,
at least, of a more extensive Credit
than we have at present.

And therefore if our Trading so
much as we do upon Credit, be in-
deed an Indication of our Poverty, we
must not for that Reason let it go, be-
cause

cause we should be much Poorer, if not Undon, without it.

But after all, it is, to discerning Men, a groundless Opinion, that the Dealing upon a well-establisht Credit is any Indication of the Poverty, or has any Tendency to the Destruction of a Community; but on the contrary, has a direct Tendency to enrich, and to preserve it. Which may easily be collected from what has been said already, concerning the great Increase of Trade, which Credit makes, by adding so much more Stock to it.

And accordingly, no one ought to think our Neighbours the Dutch have made themselves the poorer, or have weaken'd, in the least, their Constitution, by laying so much Stress on their Credit, that (for one Instance) no Bills of Exchange, of Value above 30 *l.* can be paid in *Amsterdam*, but in the *Bank*; where not one hundredth Part (as it is computed) is paid in *Specie*, but upon the Credit of that *Bank*.

The Dutch intirely lay a Stress upon Credit.

S E C T. II.

IT is hop'd we have thus briefly, but fully prov'd the Benefits and the

the Necessity of having a good Credit establish'd in this Nation of ours; the next thing naturally to be enquir'd into is, Whether our Constitution has a Capacity to improve and advance that National Credit; the better and more effectually to answer the desirable Ends and Purposes before mentioned.

The Capacity of our Government for establishing a good Credit.

In order to be clear in this Point, let it be consider'd what it is that makes a good Credit; and that is the two essential Properties of *Security* and *Convenience*.

That is certainly the most secure Credit, which is least liable of any other to a Failure, and which is founded upon a good Bottom, large enough to support it.

And that is the most convenient Credit, which is the most easie and dispatchful to receive and pay, and will serve the most sorts of People, and upon most Occasions, to make their Payments by, as well as they can do by Money.

By these indisputable Rules, let the Capacity of our Constitution, for this Purpose, be examined.

It cannot be deny'd but that our Credit has been hitherto extended almost intirely, both abroad and at home,

home, by private Persons and Societies; whose Credit, no doubt, has been Beneficial as well as it was Necessary, in the Methods we have hitherto followed.

Now if there can be any good Reason given why our Government should not, in like manner, exert its own Credit, it must be one or both of these two; first, That the Security which the Government can give is not, intrinsically, so good as that of private Persons or Societies is, or may be; or, Secondly, That the Government is not capacitated to Exert and Manage its own Credit, to equal Advantage with that which accrues to those Persons or Societies, by Vertue of their Credit.

The first is no good Reason, because in the Government of *England*, as it stands happily constituted, there is really contain'd all the Security which any Man has or can reasonably desire for his Property; and that is, in its own Nature, a better than any private Security can be, and perhaps a better than any other Security in *Europe*.

That the Second, is no good Reason, it shall be the Business of the following Proposal to show; in which we have endeavour'd to chalk out a secure and
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An Essay upon the
 expedient Method, whereby the Government of *England* may freely exert its own Credit to at least equal Advantage and Profit in Particulars, with that which any private Persons or Societies have hitherto gain'd ; and consequently to very great Advantage in the General, considering the great Dealings of our Government.

S E C T. III.

BUt the Design of this Paper is only to give a general and summary Account of the said Proposal, so far as it is hop'd may prevail with the Wisdom of Parliament, to take it into Examination, and all the Particulars concerning it ; which are ready to be submitted according to Direction.

General Description of the Method for doing it.

It is therefore propos'd, ' That and
 ' Office be erected, under the Direction
 ' of my Lord Treasurer, for the Establishment of a Publick Credit upon the
 ' Parliamentary Funds, for this Year's
 ' Service (so far as the House shall think
 ' proper) issuable to all those Persons,
 ' and none other, who have Claims upon the Government, upon those Accounts for which those Funds were given, and who shall voluntarily accept
 ' the

National Credit of England.

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the same; and give such legal Dis-
charges to the Government, as are u-
sual upon their being paid in Money.
These Bills are, according to the Me-
thod propos'd, to be taken back and
made passable in all Payments of the
publick Revenue, throughout En-
gland; and it is also provided that an
Office be erected for that Purpose,
where they shall be converted into Spe-
cie, on Demand; this will give them
an universal Circulation with all sorts
of People, as well as those that make
Payments to the Government. The
Offices from whence these Bills issue,
and where they are to be paid, to be
manag'd by a competent Number of
Commissioners, and subordinate Of-
ficers. And the Accounts of these
Offices are methodiz'd, so as to be
kept very clear and intelligible, without
altering the Course of the Exchequer,
or interrupting any of the present
Methods of keeping the publick Ac-
counts.

This short Description of the Design
may, perhaps alone, make it appear
very practicable, to those Persons who
have employ'd their Thoughts in stu-
dying the Nature of Credit, and the
Principles of Trade; and as for others

it is reasonably hop'd, they will not be forward to censure this Design as impracticable, before they are acquainted with the particular Methods which are prepar'd, and lye ready for the Disquisition of our Representatives in Parliament.

In the mean time therefore, we shall presume to argue, a little before hand, upon the Expediency and Advantages of the Design, upon Supposition that those who shall thoroughly look into it, will clearly see a plain and open Way to put it into Practice.

The first thing to be consider'd, according to what has been laid down, is, Whether the propos'd Credit will come up to the Rules of *Security* and *Convenience*, more perfectly than any other now current in *England*.

S E C T. IV.

Reasons for putting it into Practice, first, Security beyond any other Credit.

First, as to *Security*. All private Credit that is adapted to pass in Payments, if no better than Personal Security (excepting the *Bank's* Fund of 100,000 *l. per Annum*, which the Parliament has made liable to pay their Debts, so far as it will go) which Personal Security is not absolutely safe for

National Credit of England.

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for any one to act upon, and much less so for the Government to deal with it, and to depend upon it.

For in this Case, the Paper in the Hands of the Government, has too great and a dangerous Dependance on the Money in those private Hands, and if they either, through an accidental Disability, or an ill Design should with-hold or deny Payment, the Government may be very much disappointed, and even driven to an Extremity.

It was pleaded by a zealous Advocate for the Bank, as one Way to enable them * to supply the Kingdom's Occasions with Money, that several Branches of the King's Taxes and Revenues should pass through it. And it has been said, That they would give a Million of Money for this Priviledge, which has never yet been granted, but expressly prohibited by the Parliament (excepting for a small time, and in an extraordinary Case) though some think there are Means found out, in a great measure, to evade that Prohibition.

But this sufficiently shows, at once, the Danger to the Publick in the Sense of the Parliament, and the Advantages, of such a Priviledge to private Men,

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* Vid. Letter to a Friend concerning the Credit of the Nation, &c. Ann. 1697.

Men, in the Sense of the *Bank* ; and by the Way also, it shews what Advantages, in Point of Profit, might arise to the Government by exerting its own Credit to pass in its own Revenue, as by the Method propos'd.

Wherein all the Defects of other Credit will be supplied ; and it will contain all the valuable and desirable *Security* we have for any thing we enjoy.

It is supported by Intrinsic Value, secur'd to it by an Act of Parliament, the best Title to any Property in *England*, and perhaps in *Europe* too.

And sure it must be a very desirable thing, to all the considerable Dealers, especially in this Nation, to have a Credit current in Trade, as secure as the best Title to Land.

And such an absolute Security to the Subject cannot possibly be of any Danger to the Government, which now subsists by the Supplies of the Subject. Besides, the Occasions of the Government will, by this Credit, be as effectually and as expeditiously answer'd, as they wou'd be, did the Taxes come in in Money, without Loans, as soon as the Funds are settled ; for so soon will this Credit issue, and be accepted at Par with Money.

S E C T.

S E C T. V.

NExt to the *Security* we must examine and compare the *Covenience* of this Credit. *Secondly, Convenience.*

And here 'tis too certain, that most Parts of *England*, besides *London*, to which our present Paper-Credit is near all of it confin'd, do labour under great Inconveniencies, especially when Money is scarce amongst them, for want of some such Credit to supply the Uses of it.

And the Reason why the Credit we have in *London* does not diffuse it self amongst them, must be, that they do not know the Personal Condition and Ability of those that are to answer for it, nor can they have it converted there into *Specie* on Demand.

But it is easie to conceive how the Credit propos'd, will soon make its Way through all Parts of the Kingdom, that are either reach'd by Taxes, or subject to the Revenue.

For every one will know who is to answer for it; that is, the Credit of Parliament and the Estates of *England*.

And

And tho' there shou'd be no Offices settled in the Country on purpose to convert it into Money, yet when it pays there in the Revenue and Taxes, it is in effect, converted into Money.

Besides, that all Receivers of the Publick Money, who do not make a private Use of it, will find their own Account more in the secure and convenient Remittance of this Credit, than they can do now in sending up either Money or private Bills; and consequently will be ready of themselves to exchange it for what Money they receive, on Account of the Publick; or however, lest any of them for such sinister Ends shou'd decline the doing of it, it will be a reasonable and unexceptionable Thing to enjoyn them all to do it.

This great Conveniency of it proves, that it will not only pay in all sorts of Places, but will be voluntarily accepted by all sorts of People. It will pay Merchants, because it pays Customs; It will pay Tradesmen, because Merchants; It will also pay Gentlemen and Landlords, because Tradesmen and Merchants; Then it will pay Farmers and Tenants, because their Landlords, and the Tradesmen they deal with,

with, will take it; And it will, for that Reason, that it pays in Trade and Customs, pay all Inn-keepers, Victualers, &c. and consequently all Soldiers and Sea-men, for their Uses in *England*.

But this is not all the Convenience of it; for however improbable it may be thought by some, this Credit must be eligible abroad, and preferable in all foreign Countries that *England* deals with, to any Credit of private Merchants, by which the Government is now chiefly supply'd there, for its Occasions in those Parts, as in *Holland*, *Spain*, *Portugal*, &c.

For 'tis certain we have in all those Places, frequent Occasions now, to be supply'd with Money, where the *English* Merchants have not Effects enough for that Supply; or at least their Payments do not become due in time to answer it. And upon all such Occasions, the Government is supply'd by the Personal Credit of *English* Merchants, by Bills upon their Correspondents there.

This is the known Case: Now tho' every Correspondent does chiefly rely on the suppos'd Ability of the Drawer, in all such Cases as this; yet most cer-

certainly it wou'd make him act more securely and confidently, if, besides the Ability of the Drawer, which he may have engag'd to him by *Indorsement*, he has also in the Bill it self (as it will be fram'd for this Purpose) a Fund of the Parliament of *England* for his Security, whatever becomes of the Drawer.

Which must render these Bills superior in Credit, where-ever *England* has Commerce, to all Bills of Exchange of any Merchants either here or abroad. But the Advantages of this to our Government and Trade are not to be enlarg'd upon nor particulariz'd here.

S E C T. VI.

*Thirdly,
For the Advancement
of our Trade.*

FOR we shall now advance to another Reason, which cannot but appear to us a very powerful Motive to the Establishment of this Method; and that is the Promotion of our Trade.

It must be granted, that whatever advances the Stock of any Nation in Trade, must advance the Trade of that Nation: Now as much of this Credit as passes will always be so much additional Stock to our Trade.

National Credit of England. 17

Or, if it does, in some Cases take place, where a worse Credit had taken place before, and consequently will be excluded by it, even in this Case it will afford a Remedy for those fore Evils which are every Day felt, when private Credit proves unsolid, to the great Discouragement and Disadvantage of the Trade of our Nation.

But it has been prov'd already, that it will plentifully supply many Parts of England, which have not hitherto had the Benefit of any current Credit amongst them; and therefore will always be a real additional Stock to our Trade, in those Places where such Stock is most wanted; and by Reason of which Want alone, all the Owners of Land in this Kingdom have always, and more especially in late Years, suffer'd very much; and will, it is hop'd, be no less gratify'd with the Remedy.

But not only in the Country is our Stock in Danger of being exhausted, in the present Methods; but our Trade is hurt by them, in London too, and in its most valuable Branches.

For, as it was observ'd before, the money'd Men have for some Years past, kept their great Sums out of those Channels of our National Trade, in which

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they were employ'd before; besides that in foreign Parts the Wars has made Trading less secure; so that they now find their Account in Trading another Way, *viz.* chiefly in lending to the Government, and *discounting* the Government's Credit.

If it appears, which I fear it will not, that, notwithstanding this new Trade the old one is not, in Fact, impair'd; the Consequence is only this, that otherwise, in Fact, it would have been much increas'd.

As it must needs be, whenever our Trade can command back those many great Sums into it; which it will be able to do, whenever the Government stands in need of no Loans, and has a Credit not liable to *Discount*; to effect which, is the apparent Design of this Proposal.

S E C T. VII.

*Fourthly,
For the
great Profit
arising from
this Method.*

A Nother Argument which may incline our wise Government to proceed in the Method propos'd, may be the Consideration of those great Sums that will be Annually sav'd by it.

There

There will be sav'd, in the first place, all that Interest now paid for Money borrowed for her Majesty's and the Nation's Service (excepting only what Proportion of it will be found wanting for the Management of this Design) which Service will be as effectually answer'd by this Credit, as it is by the Money now borrowed.

In the next place, the Stores for Sea and Land Service, will be purchas'd at so much cheaper Rates, as the Warrants for Payment thereof, are now, or any time may be under *Discount*.

For it is Rational enough to believe, that the Sellers of those Stores, who must take those Warrants, will always have a sufficient Regard to the *Discount* they lye under at the Market, in the Contracts they make with the Government.

Besides this, the Merchants and others will be inabled to serve the Government at much cheaper Rates, when they can drive much greater Trades with less Stock, by their prompt Payment in this Method; by which, and the great Quantities her Majesty buys of several sorts of Commodities, the Queen will naturally have the Pre-emption of all Goods, and as cheap as can be afforded.

These are Profits that need not be particularly estimated to aggrandize the Undertaking; which, perhaps, wou'd appear to some but too great by a true Estimate of them.

But let it be consider'd farther how these great Profits will, in this Method, be apply'd, and to what Uses.

It will certainly be an exact piece of Justice, to make the Credit of the Publick, beneficial to the Publick; instead of its being diverted into other Methods, for the Benefit of private Persons; and that too, not without Danger, as well as Loss to the Publick.

And of this publick Profit each private Person must proportionably share, as he contributes to those Funds and Securities, upon which this Credit is rais'd; Whereas now, every one is forc'd upon larger Contributions, to have the Government supply'd with more speed; altho' we have not recover'd, since our late great Sufferings upon that Article.

And indeed, it is no small Inducement to the Method of good Husbandry, if that be found out, our present Condition, as we stand involv'd in a very great National Debt,

The

National Credit of England. 21

The Annual Interest of this Debt, some of it at very great Proportions, joyn'd with the constant Occasions of the Government, demands so great Supplies, that 'tis said, the Difficulty of raising the Taxes, in Places distant from *London*, is much increas'd of late; and what that will end in (if the War ends not very soon) it cannot, I think, be easily fore-seen through the present Methods.

But a good Credit establish'd, will pay off Debts as fast as it will raise Estates; and there can be no good Reason given why the Government shou'd not begin to do the former, as private Persons have so often done the latter.

For admit it is not true Politicks (tho' it's hard to admit it) that the Government shou'd ever be brought quite out of Debt to the People; yet sure I am, a proper Relief cannot be unwarrantable, when any Approaches are made towards an *Extremity*, which may indanger both Government and People.

If there is any Reason for such Apprehension, in our Case, which is submitted to Judgment; there will, we conceive, be equal Reason for hearkning to this Proposal.

S A C T.

S E C T. VIII.

*Lastly, For
Securing
and Streng-
thening the
Constitu-
tion.*

BUT those that urge the foresaid Political Maxim, do it, I suppose, upon the score of securing the present Form of our Government, in the Interest, as well as the Affections of the many Creditors.

And therefore the last Argument we shall offer at present for this Establishment, shall shew that this Method will be a very great Preservative and strengthner of our valuable Constitution; and that far beyond the suppos'd Obligation deriv'd upon the People, by Loans in the present Methods.

For this will free us from the Imminent Danger, which even the Lenders may bring upon our Constitution; we mean those money'd Societies, who being possess'd of so great a part of the publick Credit, and daily acquiring more, will thereby be inabled, in no long time, to engross and command the whole Cash, as well as the Credit of the Kingdom: and then they will have nothing left to do in *England*, but to determin what they shall please to do, as has been lately made appear in many Particulars. And

National Credit of England. 43

And besides when almost every Person, of Interest and Figure especially, shall have a Right of *Property* as well as *Protection* in the Government; the Popularity of Invaders will be extinguish'd, and it will engage and animate all sorts of People to give their utmost Assistance to the Government, under any Distress or Difficulty that may fall upon it; because this Credit which is diffus'd amongst them, doth consist in, and has the Security of our Government and Constitution.

Which cannot fail to render it an Obligation upon the Subject to support the Government, far more extensive and powerful, than any Interest paid for Money is or can be; a Practice which, how convenient soever, has not been without Danger; not to say what it may contribute, in time, to a perpetuity of Taxes.

Whereas in the propos'd Method, the Obligation will be in its own Nature much greater, and at the same time, without any collateral Evil to set against it.

S E C T.

S E C T. IX.

IF all these Reasons, with many more that will occur upon considering and debating the Point, shall be as cogent and convincing to the Gentlemen of the House of Commons, as they are to the Proposers; it will be very easie for their discerning Judgments, to discover the Falacy of all Objections that can arise against it; which must be founded either on a Mistake, or a Misapplication of the Design.

However, it may be fit to say something here to the many Clamorous Objectors, which we are sensible a Proposal of this Nature will meet with, without Doors. And possibly some others may be inclin'd to reject it, without Examining the Particulars; as foreseeing that the general Design will be detrimental to several sorts of People, who have large Incomes and make great Gains by the present Methods.

To all such, and their Abettors, we humbly offer the following Considerations :

First, That it will appear an undoubted Maxim, That all private Interest

The Objection of Loss to some Persons.

terest ought to give way to that of the Publick, whenever they interfere; especially if that Private, cannot stand and flourish, as it does, but by the Decay, if not upon the Ruins of the Publick.

Secondly, Let it be consider'd, That the Government is doing nothing Injurious, on its part. If it were not just for our Government so far to Imitate our Neighbours, as to take all *Banking* into its own Hands; yet wou'd the present Design be no way chargeable with Injustice: For here the Government will not act, as a *Banker* does, which is to receive other Mens Money, on purpose to get Money by it; but as a *Merchant* does, which is to extend his Credit to serve his own Occasions, only to buy as Cheap, and be as much trusted in his Dealings as he can. And to deny this to any private Man, wou'd be to deny him *Liberty* and *Property*.

In the next place, It may not be improper to enquire who they are, upon whom this supposed Injury will fall; and, without pointing at Particulars, we may say they are either such as Lend to the Government, or such as *Discount* the Government's Credit.

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But they that plead a *Right to Lend* (or they will not be injur'd by this Design) may, with as good a Grace, we conceive, plead a *Right to Govern*. For a necessitous Borrower, that has but one Place to be supply'd at, has his Dependence there; and to as great a Degree, as that Necessity is upon him.

And, as for those who will be offended to see the Credit of our Government redeem'd from *Discount*, and consequently Disreputation; they may be pleas'd to reflect,

First, On the great Loss which the Publick even now sustains by paying 10 *per Cent.* for six Months Forbearance.

Next, We would desire then to consider whether the Government can purchase Stores so advantageously, with the uncertain Value of Bills, at a precarious *Discount*.

But especially it concerns every Contributor to the Necessity of the Government, that it is equally uncertain where this *Discount* may End, or how far it may Advance; since we know it has not long ago, come to 50 *per Cent.* the Effects of which will be long felt by us.

S E C T. X.

BUt to be plain, we do not think many Men will make open Pleas of such sort of Objections as these are; and, whether these are at the bottom or not, 'tis more likely the general Cry will run upon the Danger, or else the Novelty of the Design; or some perhaps may object, that it has nothing new in it.

But 'tis evident these Objections cannot take place, until after a full Hearing of all the Particulars; which it is hop'd they will have Patience to do.

In the mean time we are ready to answer them, so far as they can be thought to affect the general Description here laid down.

As to the *Danger*; which the Government will be said to be liable to by a Disappointment, if this Method shou'd not succeed; let it be consider'd that, of all those that furnish the Government with Stores, no Man, in his Wits, will refuse those Notes that are immediately convertible into Money at Par, when so many do furnish, for Warrants that are not converted by the Government until after six Months, and often much longer.

The Objection of Danger consider'd.

All the *Danger* therefore must lye at the Door of the *Specie-Office*; which it may be imagin'd that this Design has not the Capacity to furnish with Cash, sufficient to support the Credit illu'd; and which therefore, may be liable to fail by a powerful Run upon it.

But, in answer to this, it will be fully prov'd, in the first place, That no such powerful Run is likely to be made upon that Office; which may in part be collected from what has been said, concerning the diffusive Nature of this Credit, which will spread it self into so many Hands, and so many Places, that no such Run can be made, which the Government, in the Method propos'd, may not easily provide against.

And farther it is observable, that when a Run is made upon any Credit by the designing Men, the Fear of its Failure makes others also, who are possess'd of that Credit, to forward the Run; and 'tis that which commonly ruins a private Credit. But there can be no such Apprehension of the Credit propos'd; for every Note is as sure to be paid by the Government, as the Funds of that Year, or other Par-
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liamentary Funds, will be paid to the Government: And therefore the Reason of striving for Payment will be taken away, when he that comes *last* is as sure to be paid, as he that comes *first*.

But moreover, it will be distinctly and particularly prov'd that whatever Combination is form'd against it, or Run made upon it, they cannot succeed; that as the Government may exert this Credit by the most secure steps, so the Return of it upon the Government, can be attended with no *Danger*.

But because the full clearing of this Point, must be reserv'd to the opening of the whole Design, let us here suppose the Worst, which is, that the *Specie-Office* fails; and yet even in that Case, this Proposal will be a manifest Improvement of our present Methods; for this Credit is to pass and return to the Government by another Way, if the former shou'd be stop'd up; and that is in all the Payments of the publick Revenue.

Which Qualification alone, when rightly consider'd, may be judg'd sufficient to make it pass at *par* from Hand to Hand; however can never subject it to the Discount which the Government's Credit lies under at present; and even
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An Essay upon the
in this one Respect will be an apparent
Advantage to the Publick.

SECTION XI.

*Novelty an-
swer'd.*

THe next Accusation perhaps will
be *Novelty*, by which; if it is
meant that the Government has never
yet thought fit to do it, that may be
safely granted, and will farther appear
by and by; but if it be suppos'd a
thing unheard of in Trade, it is suffi-
cient to answer here, that the Govern-
ment will, by the propos'd Method,
undertake to do nothing at all, but
what others have done before; and
with so much less Power and Ability
to do it, that the Prospect which was
probable to them, and upon that Ac-
count, a sufficient Inducement, will be
certain to the Government, and upon
that Account, it is hop'd, no Insuffici-
ent one.

But is it any new thing for a Credit,
better than what usually passes in any
Place, to make its way there? Or will
Men of Trade and Business be so long
in understanding the Preferableness of
this, as to give any Obstruction to the
Currency of it.

They who understand the Value of
Trade,

Trade, and have well consider'd what Credit passes in the Trade of *England*, cannot but wish we had generally a better Credit passing than we have; and consequently will be far from objecting *Novelty*; which therefore needs no farther Answer.

S E C T. XII.

BUt we must expect to meet with all sorts of Objectors; and therefore others on the contrary, will say there is nothing New in this Design, but that 'tis the same with *Exchequer-Bills*, which were set on Foot about Eight Years ago.

And indeed, were not this Design preferable to the *Exchequer-Bills*, both in its own Security, and in regard to the Benefit of the Government, and the Advantage of Trade, there wou'd have been less Encouragement to make this Proposal; as it may be hop'd there will be found greater, when all these are made appear.

First then, The Funds of those Bills have not yet been ascertain'd, to the Value of them; at least not so as to be evident to all People, any otherwise than by a Security of Parliament at large, with-

without knowing expressly the Time when, or the Means by which they will be paid by the Parliament : Whereas these will have certainly annex to them, Funds adapted to the Value, and near enough in Point of Time ; and all this provided by the Parliament, before the issuing of them.

Secondly, As to the Benefit to the Publick, the Interest which the Exchequer-Bills carry (not to mention the *Premium*, which was once 10 per Cent. for Circulation) makes them considerably less advantageous than these will be, as carrying no Interest at all.

And whereas the Success of the former, is wholly owing to the Interest they carry (as may be gather'd from their being generally hoarded up) the other, tho' they will not be hoarded up as carrying no Interest, yet will have equal Success, by a constant Circulation in all Payments, publick and private ; which, by the great Quantity of Payments visible in Trade, may be presum'd to require a Paper-Credit, far exceeding, in Value, that Paper-Credit, which is, or would be hoarded up ; so that these will be as useful as the *Exchequer-Bills*, in the Way mentioned,

tioned, and more advantageously to the Government.

Thirdly, And the Way that they will pass, must also better serve the Purposes of Trade, than the *Exchequer* Bills do.

For 'tis plain, these will be more frequently transferred in Trade (as other Bills that bear no Interest are more frequently than those that do) but in the frequent passing of Credit from Hand to Hand, consists its great Usefulness in Trade; for when either Money or Credit is hoarded up, it may more properly be said to *stagnate*, than to *circulate*.

And therefore it is no sufficient Answer, to say, That the Money is out while the Paper is kept up; because, in this Method, it is contriv'd that both shou'd be out, with equal Security to the Taker of either, and to the great Increase of our Stock in Trade, and consequently to the great Enlargement of our Trade itself.

By which Considerations it is fully prov'd, that the Credit, in this Design, will be apparently preferable either to *Exchequer Bills*, *Tallies*, *Mortgages*, or any other Credit whatsoever, that has Interest running upon it; and more be-

neficial than they can be to the Nation, upon those two great Articles, our *Government* and our *Trade*.

S E C T. XII.

The Objection of Misapplication fully answered.

WE have now, as we conceive, answer'd the best that can be said by all sorts of Objectors, excepting those who, in earnest, may suspect some ill Influence from this Design, after it shall have received a successful Establishment, upon the Liberties of the People; by lodging too great a Power in the Hands of the Government, a Power as dangerous and formidable to the *People*, as, if lodg'd in private Hands, it might prove to the *Government*.

To remove this last Scruple, and to shew how well this Design is calculated for the Constitution of *England*, let it be observ'd,

First, That it does not give the least Power more than the Government is invested with at present; for here will be only the Management of the publick Revenue by *Credit*, which the Prince and Ministry already do manage by *Money*; the arbitrary Raising, or undue Application of either, being equally cognizable by the Parliament, as equally concern'd in both. For

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For it is to be observ'd, that here is no boundless Power of extending the Credit, as *Bank* and *Bankers* have, but only so far as real Funds given by the Parliament will reach ; and we don't find the Parliament ever gives more of these, than are judg'd necessary for the real Occasions of the Government ; so that there cannot be legally more of this Credit rais'd, than the Parliament (in the present Methods) allows the Government to receive in Money.

Nor can it be suppos'd, that there will be any of it illegally and clandestinely rais'd ; for each Bill is to be sign'd by a Number of Commissioners ; who may be sufficiently deterr'd from exceeding the Value which the Parliament shall direct to be issu'd ; and that by what Penalty shall be thought fit.

Which cannot but prove an effectual Barr to all such Practice, when it's consider'd that the Account of all the Bills may be register'd in such manner, as will immediately discover all possible Fraud in the issuing.

And not only so, but will also show the Application of each particular and minute Sum so exactly, that instead of being more liable to a Misapplication than Money, it will, in Reality, be much less.

For this Design will, in its own Nature, require an *Annual Act of Parliament*, and it cannot be suppos'd that the Parliament will raise more of the Credit, in any Year after its first Establishment, without Inspecting the Accounts of the Preceding.

Which will be an additional, and perhaps a preferable Check to any we have at present upon the Application of the publick Revenue; Since the Accounts will be more intelligible and obvious upon Inspection, than they seem at least to be in the present Methods.

From whence we cannot but conclude, that the Power of this Credit is rightly plac'd; not only the Power of Giving is in the Parliament, but the Application also of what is given will fall under the just Direction and the plain View of the Parliament.

Which is the utmost Security we have, or can have in a Case of this Nature; it being a certain Maxim, That the Management of any considerable thing, may be committed, most safely, to those whose greatest Interest it is to have it well manag'd; and who will be the greatest Sufferers, in case of ill Management,

But,

But, if any one will go so very far in supposing, as to say there may arise a Parliament which will give up, into the Hands of a Prince, the sole Power of Raising and Applying this Credit at his Pleasure ; we will still Answer, either it will be given upon Funds, or without them ; If upon Funds, it ever was and ever will, we hope, be in the Power of the Parliament to give those, and to what Value they shall find wanting, and can be rais'd ; which Power of theirs, as it is incapable of Addition in this Particular, so it receives none at all from the present Design, which has not the least Tendency, either in this or any other Respect, to do any Mischief, while it does so much Good.

But if this Power shou'd be given at large and without Funds, it wou'd be no Power at all ; for the Credit wou'd instantly sink with voluntary Acceptors, as having lost all its desirable Security ; without which no Convenience, how great soever, wou'd make it current.

Nor can the Want of Security in this Case, escape the Knowledge of all those who are to deal with it, any more than Men wou'd lend their Money, in
Case

Case the Government shou'd attempt to borrow it, without having Funds to secure the Lenders.

But upon the whole it will appear hard to load a Design with Consequences so very far distant, and so highly improbable, whilst there appears, as has been remark'd, so great Necessity, instant and pressing upon us for that Relief, which this Design will certainly afford.

And therefore, as these Objections do allow, that the Design will do the Good that is propos'd to be done by it, (or else it cannot have Power to do the Mischief that is fear'd from it) so they must be unseasonably urg'd, as long as the Expences of this, and the Debts of the last War, are incumbent upon us. And whenever we see an End of These, there will still remain many other good Things to be done by Virtue of this Method; such for Example as *finding a Stock to Maintain and Employ our Poor, &c.* All which, and whatever other good Purposes this Design is applicable to, will sufficiently employ and engage it, so as to leave no room for a Misapplication.

For,

For, as it can't be suppos'd to be subjected by any Parliament to such evil Purposes; especially while so many good ones lie ready for it; so it has all the Security this World can give, that it shall be punctually apply'd, according to the Direction of Parliament, as has been prov'd before.

S E C T. XIII.

HAVING thus far endeavour'd to recommend the establishing a *National Credit*, according to the Method prepar'd by the Proposers; as the only Expedient, whereby it appears to us, we can hope to be extricated from the Difficulties and Incumbrances our late great Expences have laid us under; and as a sufficient Supply and Support under all future Accidents; and also as the greatest Encouragement to our Trade, the Preservative of our Peace, and the Happiness we enjoy by an excellent Constitution; we shall presume to add no more (by way of Conclusion) but that the Success of this Establishment may, in time, spread the Dignity and Lusture of this Constitution of ours into Foreign Parts, so as to render *England* the *Assylum* of *Europe*;

Conclusion, with a just Prospect of Success abroad.

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poses, as the safest Place for Foreigners, under Apprehensions at Home, to retire and transmit their Effects into.

For however this Method, when it shall be successful in *England*, may be Imitated, yet it is not to be Paralell'd in many Countries abroad; as being, in its own Nature, impracticable either by a *Weak* or an *Arbitrary* Government.

But it is truly adapted to the Constitution of our Government; which is endu'd with the best and most desirable Power to be depended upon; that which is by Nature *strong*, and by Establishment *limited*; that which is admirably qualify'd to Assist, and equally restrain'd from Oppressing those under its happy Influence.

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